

Message Text

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ACTION AF-10

INFO OCT-01 ISO-00 MMO-01 AID-05 CIAE-00 COME-00 EB-08

FRB-03 INR-10 NSAE-00 USIA-06 TRSE-00 XMB-02

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FM AMEMBASSY KINSHASA

TO SECSTATE WASHDC 8299

C O N F I D E N T I A L KINSHASA 1700

E.O. 11652: XGDS-1 DIMPTD

TAGS: EFIN, EALR, ECRP, CG

SUBJECT: ZAIRIAN BUDGET DEFICIT-JANUARY 1978

REF: A) KINSHASA 1634 B) KINSHASA 1054

1. SUMMARY: AFTER A DISASTROUS DECEMBER, ZAIRIAN BUDGETARY PERFORMANCE IN JANUARY WAS DECEPTIVELY GOOD. REVENUES ROSE TO Z87.9 MILLION AND EXPENDITURES WERE OFFICIALLY ONLY Z95.5 MILLION, FOR A MONTHLY DEFICIT OF Z7.6 MILLION. THE CUMULATIVE/GOZ (MULTI-YEAR) DEFICIT, HOWEVER, ROSE TO Z958 MILLION. END SUMMARY.

2. FOLLOWING FIGURES ON ZAIRIAN BUDGET DEFICIT FOR JANUARY WERE RECEIVED FROM AN UNOFFICIAL BUT HIGHLY RELIABLE SOURCE, WHICH HAS ALSO INFORMED US THAT THERE WILL MOST LIKELY BE AN UNAVOIDABLE SIX MONTHS GAP IN THE AVAILABILITY OF DETAILED FIGURES.

MILLIONS OF Z'S

RECIPTS	87.9
OF WHICH:	
(CUSTOMS)	(32.9)
(TAXES)	(44.8)

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(ADMIN CHARGES)	(7.9)
(OTHER)	(2.3)
EXPENDITURES	95.5
DEFICIT	7.6

3. REVENUE PERFORMANCE SNAPPED BACK IN JANUARY, RECEIPTS REACHING THEIR HIGHEST LEVEL EVER, AND ALMOST DOUBLING THE FIGURE FOR

JANUARY 1977. MOST OF THE IMPROVEMENT CAME IN CUSTOMS COLLECTIONS WHICH HAD AVERAGED Z21.2 MILLION PER MONTH IN 1977. GENERAL RECEIPTS WERE ALSO UP, BUT NOT AS SHARPLY.

4. JANUARY'S OFFICIAL EXPENDITURES, HOWEVER, REMAINED HIGH DESPITE LAST DECEMBER'S Z146 MILLION SPENDING SPREE. EVEN AFTER THE PROCEDURE REPORTED REF B SHIFTED A LARGE PORTION OF JANUARY'S EXPENDITURES BACK INTO DECEMBER, THE TOTAL FOR THE MONTH IS STILL HIGHER THAN THAT OF ANY MONTH DURING THE PAST YEAR EXCEPT DECEMBER 1977, AND ROUGHLY TWICE WHAT IT WAS IN JANUARY 1977 AS WELL. DESPITE THE RELATIVELY SMALL ABSOLUTE SIZE OF THE MONTHLY DEFICIT, THE TREND TO INCREASINGLY LARGER GOZ EXPENDITURES WHICH CANNOT BE FULLY OFFSET BY INCREASING REVENUES IS DISTURBING AND DOES NOT AUGUR WELL ZAIRE'S ABILITY TO HOLD DOWN THEIR BUDGET DEFICIT WITHOUT IMPROVED CONTROLS FROM OUTSIDE.
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